

# Press Release

To: Arkansas Media  
From: Robert J. Alvey, Communications Manager  
501-324-9006; fax: 501-324-9012  
CC: Governor's Office  
Date: November 13, 2000  
Re: September meeting of the Authority Board of Directors

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## Board Approves "Fast-Track" Investments to Help Secure Federal Financing

In what could be described as cutting edge packaged financing, Arkansas appears to be taking the lead nationwide with a "Fast Track" approach for two Arkansas businesses that could bring over \$1 million in federal funding to the state.

The Arkansas Science & Technology Authority's Board of Directors recently approved two research proposals totaling \$345,500 over a two year period. The grants could bring \$1,350,000 in federal funding through the Department of Defense's (DoD) Small Business Innovation Research (SBIR) Phase II "Fast Track Program." The two companies, Space Photonics and Arkansas Microelectronics Development Corporation, are the first companies in the state to apply to the "Fast Track Program." The projects are also the first time the Authority's Board has approved a project that obligates funds from multiple Authority programs for one project.

These projects originated with Authority Technology Transfer Assistance Grant (TTAG) (<http://www.state.ar.us/asta/ttag.html>) awards. Both companies were approved for TTAG funding for the purpose of developing proposals for Phase II funding, also a first for TTAG customers. The firms were invited to participate in the SBIR fast track program, which requires a partnership between the applying company and a second investor. That partner is required to fund 25 percent of the project.

By coordinating support from several Authority programs, the state agency was able to ensure 25 percent funding for each proposal. It then convinced DoD officials to allow a first-time partnership between an applicant and a state.

The Board action allows Space Photonics and Arkansas Microelectronics Development Corporation to pursue the Phase II funding. The two companies are located in the University of Arkansas, Fayetteville's (UAF) Genesis Incubator. If Phase II is awarded to either of the companies, a portion of the research for both projects will be performed at the UAF High Density Electronics Center (HiDEC).

Historically Arkansas has not fared well within the SBIR Program. According to a report generated by the Corporation for Enterprise Development, Arkansas ranked 49<sup>th</sup> in the nation in the number of SBIR awards received.

"The recent actions taken by the Authority's Board of Directors have helped to make Arkansas a place of opportunity for entrepreneurs; Leslie G. Lane, Authority vice president finance, said. "Thanks to their support and guidance Arkansas is now the only state in the nation to offer a complete financial package to assist Arkansas based companies competing within SBIR. This support offers a financing tool to assist entrepreneur's generate innovative ideas, test these ideas and commercialize the fruits of their labor, all within the state."

In other investment business, the Board accepted a report on Technology Transfer Assistance Grant (TTAG) funding for the following 16 Arkansas companies since its last Board Meeting May 21 of this year:

1.	North American Marine Jet.....	Benton.....	\$3,750.00
2.	Paradigm Technology, Inc. ....	Little Rock.....	\$1,000.00
3.	Bumper Buggy, Inc. ....	Heber Springs.....	\$3,450.00
4.	OmniSys, Inc. ....	Little Rock.....	\$2,068.00
5.	Digital Realms, Inc. ....	Springdale.....	\$3,750.00
6.	OmniSys, Inc. ....	Little Rock.....	\$2,000.00
7.	Agricultural Research Initiatives.....	Harrison.....	\$3,750.00
8.	Altronic Research, Inc.....	Yellville.....	\$3,750.00
9.	Manor Oil.....	Norphlet.....	\$3,750.00
10.	ContourMed, Incorporated.....	Little Rock.....	\$3,525.00
11.	Rural Industries Corporation.....	Coy.....	\$2,500.00
12.	Danaher Tool Group.....	Fayetteville.....	\$2,500.00
13.	Pel Industries.....	Fayetteville.....	\$2,500.00
14.	Digital Infrared Access.....	Little Rock.....	\$2,500.00
15.	AMDC.....	Fayetteville.....	\$3,250.00
16.	InvoTek, Inc.....	Alma.....	\$3,250.00

The Board also approved the use of up to \$50,000 for funding of TTAG projects through the second quarter of the state fiscal year 2000.

TTAG assists Arkansas' enterprises in developing or improving products or processes through the transfer of technical solutions to technology-based, industry-driven problems, thus enhancing that enterprise's market competitiveness.

For more information on the program, visit our website at <http://www.state.ar.us/asta/ttag.html>.

*The Arkansas Science & Technology Authority, <http://www.state.ar.us/asta/>, serves as a statewide funding resource for high quality scientific and technological projects. The Authority endeavors to bring the benefits of science and technology to the people and state of Arkansas through scientific research, technology development, business innovation, and education.*

*Board Action, March 21, 97/Bdmtg/News/Communications Manager/e*